CANADA·SASKATCHEWAN
Crop Insurance

Annual Report
1982 - 1983

Saskatchewan
Crop Insurance
Corporation

Agriculture
Canada

Government of
Saskatchewan

84- 3088 /

Saskatchewan Crop Insurance Corporation Ninth Annual Report

For the year ending March 31, 1983

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Regina, July 30, 1983

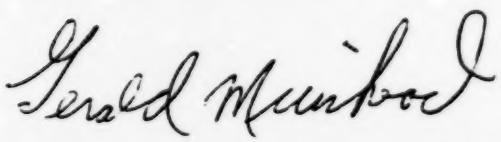
To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of
Saskatchewan

Sir:

I have the honour to transmit herewith the Annual Report of the Saskatchewan Crop Insurance Corporation for the year ended March 31, 1983, including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by Treasury Board, all in accordance with the Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your Obedient Servant,



Gerald Muirhead
Minister-in-charge
Saskatchewan Crop Insurance Corporation

Regina, July 30, 1983

To the Honourable Gerald Muirhead
Minister-in-charge
Saskatchewan Crop Insurance Corporation
Regina, Saskatchewan

Sir:

Presented herewith is the Ninth Annual Report of the Saskatchewan Crop Insurance Corporation for the fiscal year ended March 31, 1983.

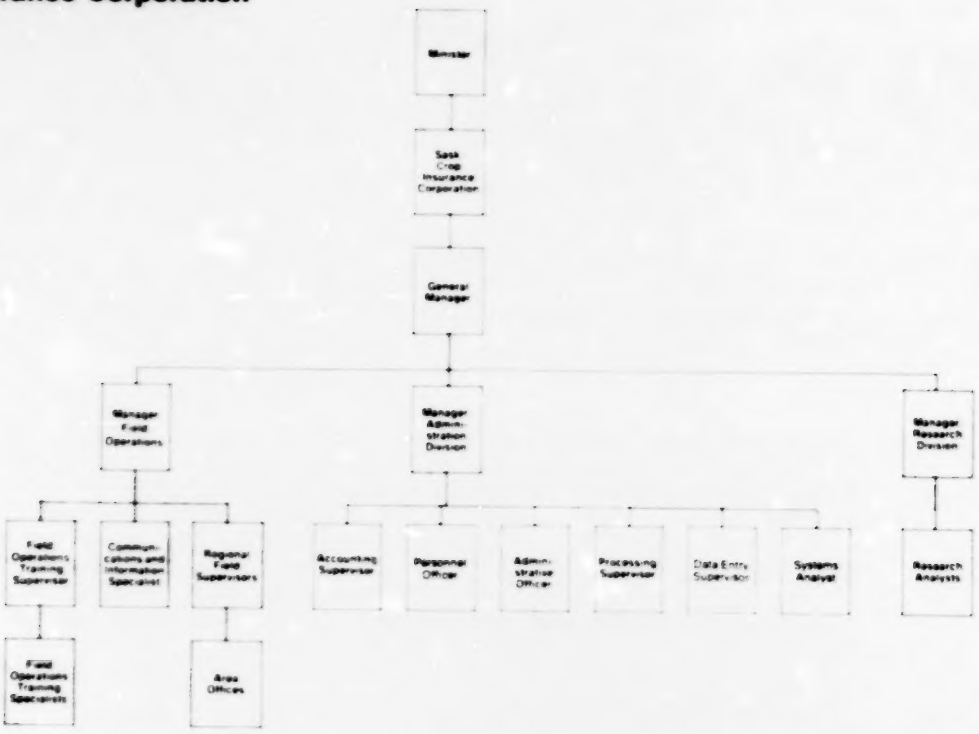
Respectfully submitted,

Saskatchewan Crop Insurance Corporation

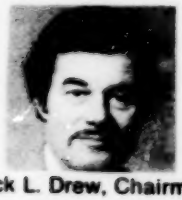
Jack L. Drew
Chairman

J. E. B. Campbell
General Manager

Organization chart
Saskatchewan Crop Insurance Corporation



Board of Directors



Jack L. Drew, Chairman

D. H. Grant

R. H. Anderson

V. Prescesky

D. Baldwin
Corporate Secretary

Principal Officers

Back Row — J. C. Walters, Manager, Administration Division; L. Chambers, Manager, Field Operations Division
Front Row — J. E. B. Campbell, General Manager; M. M. Ross, Manager, Research Division.

Objectives and organization

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974, pursuant to the Crown Corporations Act.

In carrying out the Canada-Saskatchewan Crop Insurance Program, the duties and powers of the Corporation are:

(a) to provide such services and facilities as may be required of the Corporation by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act, Revised Statutes of Saskatchewan, 1978, Chapter S-12 as amended;

(b) to provide such services of any officer or employee of the Corporation as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under the Saskatchewan Crop Insurance Act;

(c) to provide such services and facilities, on a fee for service basis, as may be deemed to be in the public interest;

(d) to apply all revenues received by the Corporation against the operating expenses of the Corporation.

In its ninth year of operation the Corporation continued to provide its 44,469 insured farmers with the level of servicing which had been developed during the previous years. Systems and procedures were refined and considerable emphasis was placed on staff training.

Administration division

1982 Crop Insurance participation

During the fiscal year the Corporation provided administrative services and staff required to service the Canada-Saskatchewan Crop Insurance Program. Participation in 1982 decreased to 44,469 from 46,259 premium earning contracts in 1981. Farmer protection in 1982 totalled $1,233,908,814 on 17,553,146 acres compared to $1,162,172,942 on 17,867,443 acres in 1981.

Indemnities paid to contract holders to cover losses in 1982 insured crops totalled $74,157,729 for a loss to premium ratio of .66 as compared to $92,280,986 paid in indemnities in 1981 for a loss to premium ratio of .86.

Indemnities paid as a result of spot-loss hail claims totalled $40,124,797 compared to $46,243,319 in 1981. Indemnities resulting from yield-loss claims totalled $34,032,932 as compared to $46,037,667 in 1981.

Field operations division

Information program

The Saskatchewan Crop Insurance Corporation conducted an extensive program to distribute information on the Canada-Saskatchewan Crop Insurance Program to the Saskatchewan farming community in 1982.

Radio spot announcements in June were used to remind all insured farmers of the final date for reporting seeded acres. Radio announcements were also used in October to remind insureds to submit claims within 15 days of completion of harvest.

Printed informational material was distributed on a regular basis to all agricultural representatives' offices, municipal offices and area offices. Regular newsletters to all insured farmers advised them of pertinent program information at specific times of the year.

News releases were prepared and released on a regular basis, announcing new programs and highlights to the farming community. In addition, Crop Insurance staff participated in radio interviews to publicize and promote the Canada-Saskatchewan Crop Insurance Program.

The 1982 Crop Insurance calendar highlighted all important Crop Insurance dates and program information; serving both an aesthetic and functional purpose.

Regional and area offices

The Canada-Saskatchewan Crop Insurance Program is serviced by six regional and 26 area offices located throughout the province. (See Appendix "A" and "B" for location and area serviced by each office.) The regional offices serve as area offices as well as being regional field supervisors' headquarters.

Area office locations

Regina	A01	Rosetown	D01
Estevan	A02	Davidson	D02
Weyburn	A04*	Kindersley	D03*
Carnduff	A05	Kyle	D05
Moosomin	A06	Outlook	D06
Wolseley	A07	Saskatoon	D07
Total number of contracts 8,849		Total number of contracts 8,076	
number of premium earning contracts 8,702		number of premium earning contracts 7,982	
Swift Current	B01*	Tisdale	E01*
Assiniboia	B02	Humboldt	E02
Gravelbourg	B03	Melfort	E03
Shaunavon	B04	Carrot River	E04
Leader	B05	Total number of contracts 3,984	
Moose Jaw	B06	number of premium earning contracts 3,867	
Total number of contracts 9,583			
number of premium earning contracts 9,404			
Yorkton	C01*	North Battleford	F01*
Canora	C02	Turtleford	F02
Preeceville	C03	Wilkie	F03
Raymore	C04	Prince Albert	F04
Melville	C12	Total number of contracts 5,412	
Total number of contracts 9,613		number of premium earning contracts 5,215	
number of premium earning contracts 9,299			

***Regional office also.**

Each region is under the supervision of a regional field supervisor. The supervisor is responsible for maintaining uniformity in all aspects of the program in the field and assuring that contract service is carried out in an acceptable and timely manner. There is also one long-term fieldperson (100 days work guarantee) assigned to each of the six regions. Long-term fieldpersons in addition to loss adjusting work assist in training and

customer relations. Each regional and area office is staffed by one permanent employee and each has a part-time clerk who can be called on during peak workload periods. There were a number of fieldpersons assigned to each office to carry out field servicing of contracts including: crop loss adjustments, Crop Insurance sales and contract servicing. Nineteen area offices were provided with the services of a short-term fieldperson (60 days work guarantee June 1 -November 30) during the fiscal year. Short-term fieldpersons assure availability of crop adjusters for emergency crop adjustments and for wildlife loss adjustments. They also assist in keeping the adjusting procedures uniform within the area.

During the year 250 per diem fieldpersons, who were either local insured farmers or semi-retired farmers, were employed. There were some who assisted with contract sales while others assisted only with crop-loss adjustments. In 1982 approximately 30 percent of the insured farmers received assistance at the area offices or from per diem field staff in arranging their Crop Insurance program for 1982. Field staff also accepted 1,854 applications for Crop Insurance.

During 1982, 740 waterfowl claims were adjusted under the Canada-Saskatchewan Waterfowl Crop Damage Compensation Program. This program was administered by the Saskatchewan Crop Insurance Corporation.

Adjusters involved in crop-loss adjusting completed: 1,068 total crop pre-harvest adjustments, 1,396 partial pre-harvest adjustments and 11,721 post-harvest crop adjustments. There were 1,422 reseeding benefit and 26 unseeded summerfallow inspections completed.

Type of Inspection	Region A	Region B	Region C	Region D	Region E	Region F	Total
Partial Pre-Harvest	296	122	331	89	357	201	1,396
Total Crop Pre-Harvest	179	66	375	103	168	177	1,068
Post Harvest	2,334	391	4,518	554	2,269	1,655	11,721
Reseeding Benefit	113	530	154	215	239	171	1,422
Unseeded Summerfallow	11	7	—	5	3	—	26
Total	2,933	1,116	5,378	966	3,036	2,204	15,633

In addition, there were 1,369 withdrawn claims, including 206 reseeding benefit.

Prior to harvest old grain measurements were carried out on 5,630 farms. Work on various types of crop adjustments entailed more than 17,860 farm calls during 1982.

In addition, 17,545 claims were submitted for spot-loss hail damage and indemnities were paid for spot-loss hail damage on 13,981 crops. Hail claims were adjusted by the Saskatchewan Municipal Hail Insurance Association.

Field procedural training meetings

The field training section conducted 36 procedural training meetings during the year. This included two meetings held with permanent and relief area office staff and one introductory training program for new clerks. Two introductory training sessions were held for new fieldpersons.

In addition to meetings, the training staff worked with individual fieldpersons in the field to assist those who experienced difficulty completing forms and carrying out procedures.

The Manager of Field Operations met five times during the year with the regional field supervisors. The supervisors also met periodically with their fieldpersons, in addition to the meetings held by the field training section.

Research division

Program and policy development is the main function of the Research division. Activities include development of actuarially sound programs, establishment and interpretation of a statistical data base, preparation of reports and conducting studies that are required for program changes and implementation.

Coverage and premium rates

Long-term average yields for 1983 coverages were updated by including the 1981 yields in the 15 year yield base. Inclusion of the 1981 yields generally resulted in only a few changes in the major crops where coverage increases of about 5 percent occurred in the northern risk areas. Coverage for rye, sunflowers, field peas, lentils and canary seed increased by approximately 10 percent in areas where these crops are grown. Oats, mustard and fababeans remained unchanged throughout the province. There were no decreases in coverages on any crop. On the average, coverages increased by about 1 percent.

For crops grown under irrigation, increases in coverage of 5-10 percent over 1982 were provided in the major irrigation areas on wheat, flax, rapeseed and fababeans. Increases have occurred for several years consecutively in response to yield trends that have occurred under irrigation production.

Premium rates for 1983 were established by incorporating the 1981 loss-cost into the 25 year base. The loss experience of 1981 was favourable with 86 percent of premium income being paid out as indemnities. However, losses were suffered on an individual crop and risk area basis. Indemnity to premium ratios ranged from 0.00 on sunflowers to 1.27 on utility wheat. In addition to utility wheat, indemnities exceeded premiums provincially on durum wheat, barley, oats and spring rye. Total indemnities exceeded total premiums in risk areas, 1, 3, 4, 5, 6, 12, 15 and 16. Increases in 1983 rates were minimized in those risk areas where losses occurred by using a 25 year base, averaging about .5 percent provincially. Premium rate reductions occurred on spring wheat in the southwest areas.

The reseeding benefit replaced Stage I adjustments in 1981. Under this benefit, indemnities to total liability ranged from one-half of one percent on spring wheat to 3.6 percent on rapeseed. An additional premium load into the 1983 premium rate was necessary to meet future reseeding indemnities.

Premium rates on irrigated crops and unseeded summerfallow coverage remained unchanged.

Price options

Price options for 1983 remained unchanged from those of 1982. Reduced market prices along with expected increases in North American and world supplies did not support increases above 1982 levels.

Land productivity ratings

The land productivity rating assigned to each quarter section determines, in part, the coverage provided for each crop on that quarter section.

Ratings were established for 561 quarter sections and revisions were made to ratings on 600 quarters. Approximately 369,770 quarters and 600 river lots, Hudson Bay lots and blocks have now been rated, comprising more than 43 million developed acres.

Quality adjustment factors

Quality factors are used to reduce production to the base grade equivalent when grain quality is reduced due to uncontrollable hazards. Minor changes occurred in some of the lower grades of cereals to reflect changing market values relative to base grades.

Forage insurance

A weather-based forage insurance program was introduced, replacing the production-based insurance. This new program will be effective in the 1983 crop year, on a pilot area basis. Under the weather-based approach, losses due to drought are covered. Rainfall is

monitored and compared to long-term average rainfall to determine level of indemnities payable.

The pilot area is comprised of 26 Rural Municipalities located in the Swift Current — Moose Jaw — Davidson area. A series of public meetings was held to explain the program, followed by a sales campaign. Participation of 175 forage producers was achieved.

Preliminary testing of the yield simulation model was carried out. Producer co-operators provided rainfall and production records that were used to confirm reliability of the model. The results showed that the weather-based approach to estimating actual yield on an area basis was feasible.

Feasibility of developing automatic rain measuring gauges was explored.

Records of production

This annual yield questionnaire was mailed to all contract holders, asking for 1982 crop yields on a quarter section basis. Approximately 22,000 farmers (49 percent) responded. An irrigation yield survey was also carried out involving non-insured farmers.

These yield data provide an important source of information for determining coverages, soil class yields and are used in other areas of program development.

Studies and reports

Other major studies and reports:

• An analysis to determine the average soil class for field peas and spring rye was completed. Field peas are grown on soils that are above average in productivity while spring rye is grown on soils that are below average in productivity. This is significant from an actuarial perspective since coverages and premium rates by soil class are affected when this kind of trend occurs.

• Yield and acre ratios between summerfallow and stubble crops of lentils, sunflowers and canary seed were updated.

• 1982 costs of production for spring wheat and rapeseed were established and used as a reference for price option changes for 1983.

• Expected production levels, carryover of old production and trends in market prices were analyzed as background for price option changes for 1983.

• Unlicensed varieties continue to be grown under contract to confirm production and marketing potential. Agronomic data were supportive of providing insurance on these varieties.

• Feasibility of revising effective dates for spot-loss hail adjustments was investigated. Deferrals of adjustments are often necessary with early storms since loss is difficult to assess on immature crops. Requests also arise to consider further compensation on crops that were hailed and later suffered frost damage. Initial conclusions support present effective dates for spot-loss hail adjustments on most crops. There are no methods presently available to assess loss caused by frost on crops that experience delayed maturity as a result of hail.

• Backgrounding into an insurance program for wild rice production was completed. Production levels of this crop have increased significantly most recently along with improved management practices. However, further advancements in agronomic considerations such as straw management, harvesting losses resulting from shattering and water level control are needed. These limitations along with the inability to measure seeded and harvested acres preclude insurance for the present. Wild rice production has the potential of becoming a significant crop in Northern agriculture.

• Studies into providing insurance on Soft White Spring Wheat grown under irrigation were initiated.

• An analysis of the implications and requirements of a program offering increased dollar coverages for growers of pedigreed seed was carried out. Requests for additional coverage have been generated because of the specialized nature and unique management inputs in pedigreed seed production.

• Individual coverage for irrigated crops was investigated.

• Pre-harvest yield appraisal procedures were validated through further fieldwork.

• Current methods of determining the amount of grain in bins require several measurements. The possibility of using the angle of repose on uniform piles to reduce the number of measurements was considered. Standardized angles of repose are required based on grain, grade, moisture content and dockage.

Summary

In carrying out these activities on behalf of the Saskatchewan Crop Insurance Board, the Corporation spend approximately $6 million, or $134.93 per contract. During 1983, the Corporation will continue to strive for efficiencies in servicing farmers who are insured under the Canada-Saskatchewan Crop Insurance Program through management of administrative and financial control functions.

Saskatchewan Crop Insurance Corporation

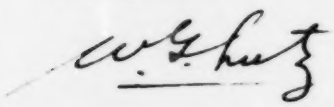
Auditor's report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of the Saskatchewan Crop Insurance Corporation as at March 31, 1983 and the statements of revenue and expenditure, changes in financial position and amount due to Minister of Finance for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these finanical statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
June 24, 1983.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Saskatchewan Crop Insurance Corporation
Financial statements
for the year ended March 31, 1983

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Statement 1 — Balance sheet
Statement 2 — Statement of revenue and expenditure
Statement 3 — Statement of changes in financial position
Statement 4 — Statement of amount due to Minister of Finance
Notes to financial statements

Saskatchewan Crop Insurance Corporation
Balance sheet
as at March 31, 1983

Statement 1

	1983	1982
Assets		
Current assets:		
Bank	$ 85,312	$ 45,751
Investments - at cost	199,557	100,000
Inventory	45,921	86,674
Accounts receivable	74,919	13,684
Prepaid expenses	12,194	51,515
	417,903	297,624
Fixed assets:		
Office and field equipment — at cost	193,652	184,680
	$611,555	$482,304
Liabilities and equity		
Current liabilities:		
Accounts payable and accrued liabilities	$178,438	$111,769
Due to Minister of Finance (Statement 4) (Note 4)	239,465	185,855
Equity in fixed assets	193,652	184,680
	$611,555	$482,304

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of revenue and expenditure
for the year ended March 31, 1983

Statement 2

	1983	1982
Revenue:		
Department of Agriculture	$5,779,290	$5,336,910
Interest on investments	163,202	166,244
Adjusting waterfowl and wildlife damage and lure crops	41,798	22,492
Miscellaneous	40,660	15,364
	6,024,950	5,541,010
Expenditure:		
Salaries	3,281,171	3,083,627
Travel and sustenance	493,113	532,586
Adjusting hail claims	880,320	755,792
Office rental	289,215	268,999
Computer and analyst services	220,419	176,239
Employee benefits	257,251	221,828
Postage	165,915	126,742
Advertising	40,777	100,593
Office supplies	94,735	56,229
Printing and duplicating	43,806	64,013
Inspection fees	54,555	22,145
Legal and professional fees	45,184	30,774
Telephone	45,901	45,958
Board members — honorarium and travel	19,128	24,935
Freight and messenger services	12,851	11,990
Equipment rental	7,046	5,266
Repairs, addressograph and other services	10,981	12,419
	5,962,368	5,540,135
Excess of revenue over expenditure	62,582	875
Equipment purchases (Note 2)	8,972	5,921
Excess of revenue over expenditure (expenditure over revenue) for the year (Statement 4)	$ 53,610	$ (5,046)

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of changes in financial position
for the year ended March 31, 1983

Statement 3

	1983	1982
Funds derived from:		
Excess of revenue over expenditure	$ 62,582	$ 875
Decrease in investments	—	73,850
Decrease in inventory	40,753	—
Decrease in prepaid expenses	39,321	—
Increase in accounts payable and accrued liabilities	66,669	—
	209,325	74,725
Funds applied to:		
Increase in investments	99,557	—
Increase in inventory	—	7,050
Decrease in accounts payable and accrued liabilities	—	25,492
Increase in prepaid expenses	—	7,102
Increase in accounts receivable	61,235	7,181
Equipment purchases	8,972	5,921
	169,764	52,746
Increase in funds	39,561	21,979
Bank balance, beginning of year	45,751	23,772
Bank balance, end of year (Statement 1)	$ 85,312	$ 45,751

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Statement of amount due to Minister of Finance
for the year ended March 31, 1983

Statement 4

	1983	1982
Balance, beginning of year	$185,855	$190,901
Plus excess of revenue over expenditure (expenditure over revenue)	53,610	(5,046)
Balance, end of year (Note 4)	$239,465	$185,855

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Corporation
Notes to financial statements
March 31, 1983

1. Status of Corporation

The Saskatchewan Crop Insurance Corporation was established by Order-in-Council 544/74 on March 29, 1974 and continues under The Crown Corporations Act, 1978.

The purpose of the Corporation is to administer the operations as may be required by the Saskatchewan Crop Insurance Board in the exercise of the powers and the carrying out of the duties of the Board under The Saskatchewan Crop Insurance Act.

2. Significant Accounting Policies

a) Revenue of the Corporation includes sums appropriated by the Legislature and received from the Department of Agriculture for administration.

b) The Saskatchewan Crop Insurance Corporation utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure as an expense. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets". As asset purchases and sales appear in the statement of revenue and expenditure, no provision has been made for depreciation on fixed assets.

c) The office supplies on hand at the end of the year are valued at cost. The Corporation has adopted its policy of first-in — first-out for valuation purposes.

3. Commitments

The Corporation is committed to lease payments for office premises totalling approximately $288,000 annually. The amount and space requirements may be subject to change from time to time.

4. Due to Minister of Finance

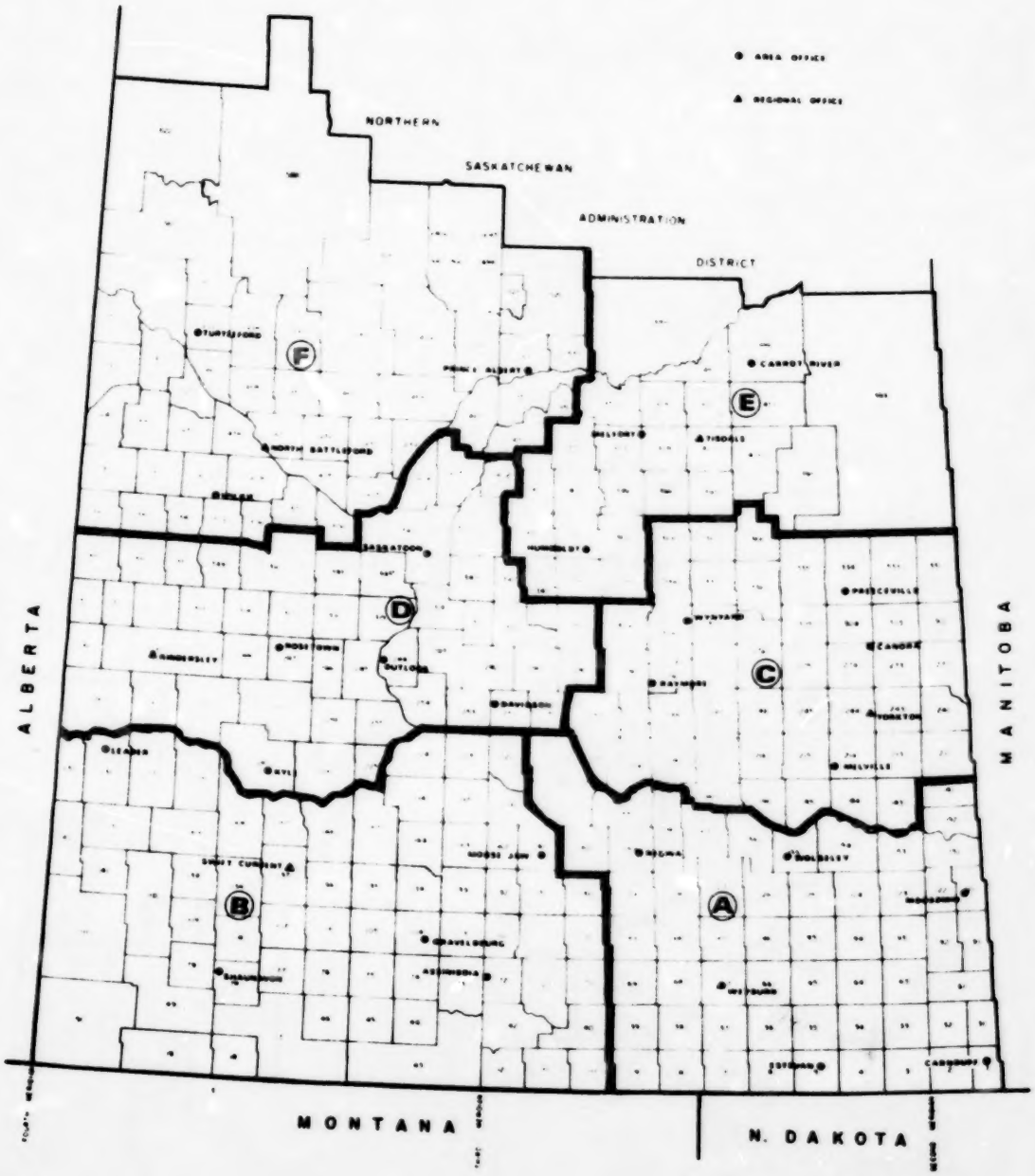
This represents the accumulation of funds received from appropriation in excess of the Corporation's requirement for administration.

Appendix A

Saskatchewan Crop Insurance Board

Field supervisor regions

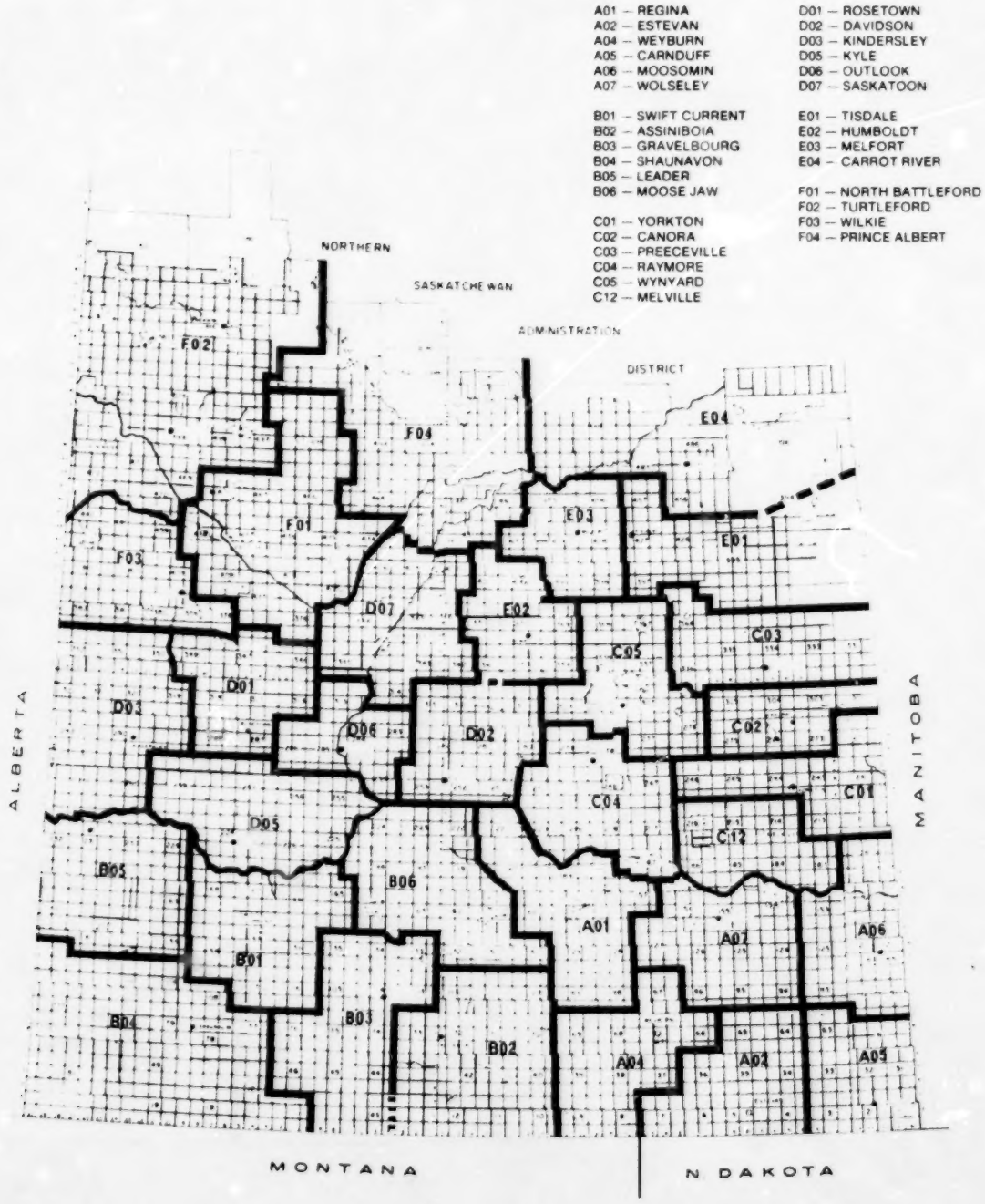
Area office locations



Appendix B

Saskatchewan Crop Insurance Board

Area office regions



Appendix C

Saskatchewan Crop Insurance Board
Insurance Fund
Financial statements
for the year ended March 31, 1983

Index

Statement 1 — Balance sheet
Statement 2 — Statement of revenue, expenditure and balance of Fund
Notes to financial statements

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Balance sheet as at March 31, 1983

Statement 1

	1983	1982
Assets		
Investments maturing within one year	$13,348,261	$ 800,000
Accounts receivable — Government of Canada (Note 3 (a))	2,649,457	519,644
Interest receivable	46,797	—
Premiums receivable (less allowance for doubtful accounts: 1983 - $1,011,993; 1982 - $631,053)	1,833,045	1,923,753
	$17,877,560	$3,243,397
Liabilities and Fund balance		
Bank overdraft	$ 32,276	$ 49,210
Indemnities payable (Note 2)	749,517	719,514
Due to Crop Reinsurance Fund of Saskatchewan	794,837	1,690,357
Due to Crop Reinsurance Fund of Canada for Saskatchewan	397,418	784,316
Balance of Fund (Statement 2)	15,903,512	—
	$17,877,560	$3,243,397

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Statement of revenue, expenditure and balance of Fund year ended March 31, 1983

Statement 2

	1983	1982
Revenue:		
Gross premium less discounts — insureds (Note 5)	$56,458,215	$53,565,708
Government of Canada contribution (Note 3 (a))	56,364,777	52,871,324
	112,822,992	106,437,032
Less: Premiums ceded		
— Crop Reinsurance Fund of Canada for Saskatchewan (Note 3(b))	8,454,716	15,861,397
— Crop Reinsurance Fund of Saskatchewan (Note 3(b))	16,909,433	15,861,397
	25,364,149	31,722,794
Net premium	87,458,843	74,714,238
Reinsurance claims received	—	15,694,824
Interest	1,955,250	1,309,482
Interest on overdue accounts	1,118,576	698,507
Penalty and surcharges	58,153	42,806
Total revenue	90,590,822	92,459,857
Expenditure:		
Indemnities — yield (including unseeded sumerfallow and reseeding benefit)	34,032,932	46,037,667
— spot loss hail	40,124,797	46,243,319
Provision for doubtful accounts	529,581	178,871
Total expenditure	74,687,310	92,459,857
Excess of revenue over expenditure	15,903,512	—
Balance of Fund, beginning of year	—	—
Balance of Fund, end of year (Statement 1)	$15,903,512	$ —

(See accompanying notes to the financial statements)

Saskatchewan Crop Insurance Board
Saskatchewan Crop Insurance Fund
Notes to financial statements
March 31, 1983

1. Status of the Board

The Saskatchewan Crop Insurance Board was established pursuant to The Saskatchewan Crop Insurance Act, 1960 and continues under the provisions of The Saskatchewan Crop Insurance Act.

2. Accounting Policies

Indemnities Payable

The provision for indemnities payable includes the cost of indemnities reported and processed but not paid and an estimate, based on the average loss for crops suffering the same type of damage, for those indemnities that had been reported but not processed at year-end. The amount of the estimate is $274,775.

Costs Borne by Other Agencies

The Board has not been charged with any occupancy costs, accounting or administrative services. These costs have been borne by the Saskatchewan Crop Insurance Corporation.

3. Cost Sharing

(a) Contributions

In accordance with the 1976 agreement between the Government of Canada and the Province of Saskatchewan, the Government of Canada has agreed to reimburse the Province for the contributions it has made to the Fund in accordance with the terms of The Crop Insurance Act (Canada). The reimbursements received from Canada are deposited in the Consolidated Fund.

Section 9(2) of The Saskatchewan Crop Insurance Act provides that the Minister of Finance of the Province of Saskatchewan may pay out of the Consolidated Fund into the Saskatchewan Crop Insurance Fund in each fiscal year contributions not exceeding the total of the amounts that insured persons have paid as premiums in respect of contracts of insurance in that fiscal year. Premiums paid for the purposes of this calculation are net of discounts but exclude interest, surcharges and penalties.

For the financial statement purposes contributions from Consolidated Fund have been described as contributions from the Government of Canada and amounts due on the final claim as accounts receivable from the Government of Canada.

(b) Reinsurance Funds

Section 17 of The Saskatchewan Crop Insurance Act provides that the Minister of Agriculture may enter into an agreement with the Government of Canada to provide for payment by the Government of Canada of a part of sums for which the Board may become liable in respect of claims for losses insured against under the Act and provides that a payment by the Board to the Government of Canada of a part of premiums received in respect of crop insurance may be made. In accordance with this section, a Crop Insurance Agreement dated April 2, 1976 between the Governments of Saskatchewan and Canada provides for the establishment of two reinsurance funds:

(i) The Crop Reinsurance Fund of Saskatchewan — to be administered by the Government of Saskatchewan, and

(ii) The Crop Reinsurance Fund of Canada for Saskatchewan — to be administered by the Government of Canada.

Under the terms of the agreement the Saskatchewan Crop Insurance Fund is required to pay premiums ceded into the reinsurance funds based on premiums received during that insurance year including the matching contributions made by the Province.

Per the agreement, payments may be made out of the Crop Reinsurance Fund of Canada for Saskatchewan under the following conditions:

(1) Indemnities required to be paid in an insurance year would have to exceed the aggregate of:

a) the premium receipts for the year less reinsurance premiums ceded

b) the balance in the Saskatchewan Crop Insurance Fund

c) 2½ percent of the total liability under policies of insurance in force in the insurance year which would have to be paid by the Crop Reinsurance Fund of Saskatchewan or by the Province of Saskatchewan.

(2) The balance of indemnities to be paid would be shared 75 percent by Canada and 25 percent by Saskatchewan out of the respective Reinsurance Funds.

4. Balance of Crop Reinsurance Funds

Crop Reinsurance Fund of Canada for Saskatchewan

The balance in the Crop Reinsurance Fund of Canada for Saskatchewan as at March 31, 1983 was $72,158,222 and the comparative figure as at March 31, 1982 was $64,093,900.

Crop Reinsurance Fund of Saskatchewan

The balance in the Crop Reinsurance Fund of Saskatchewan as at March 31, 1983 was $29,933,084. The comparative figure as at March 31, 1982 was $13,023,651.

5. Discounts

Discounts allowed during the year, with comparative figures for 1982, were as follows:

	1983	1982
Experience	$4,221,115	$3,331,326